

**GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:5879
ANSWERED ON:26.04.2001
REGIONAL DIRECTORS OF COMPANY LAW BOARD
LAXMINARAYAN PANDEY

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

- (a) the role of Regional Directors of the Company Law Board in approving the Articles of Association and amendments of the companies under Section 25 of the Companies Act, 1956;
- (b) whether Regional Directors are bound to see that the proposed Articles or their amendments are in consonance with the provision of the Act; and
- (c) the remedy available to the Department of Company Affairs or to the members in respect of Section 25 of Companies Act where amendments are approved by the Regional Director in the Article are patently against the written provisions of the Law ?

Answer

MINISTER OF LAW , JUSTICE & COMPANY AFFAIRS AND SHIPPING (SHRI ARUN JAITLEY)

(a) to (c):- Amendment of any provision in the Articles of Association is subject to passing of a Special Resolution by members for such amendments in terms of Section 31 of the Companies Act, 1956. The powers are delegated to the respective Regional Directors by the Department of Company Affairs and the Regional Directors approve Articles of Association before registration and also amendments thereto after the grant of licence under Section 25 of the Companies Act, 1956. Further, Section 9 of the Act inter-alia provides that the provisions of the Act shall have effect notwithstanding anything to the contrary contained in the memorandum or articles of a company. The licence granted under Section 25 of the Act can be revoked in terms of sub-section (7) of Section 25 of the Act. The remedy also lies in moving the competent Court.